

**CITY OF SAN ANTONIO  
PUBLIC WORKS DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM**

CONSENT AGENDA

ITEM NO. **36**

**TO:** Mayor and City Council

**FROM:** Thomas G. Wendorf, P.E. Director of Public Works

**SUBJECT:** Development Agreement - Museum Reach Project - Josephine St. to Newell St.

**DATE:** December 15, 2005

**SUMMARY AND RECOMMENDATIONS**

This ordinance authorizes staff to negotiate a development agreement for the portion of the Museum Reach Project from Josephine St. to Newell St. in accordance with the San Antonio River Improvement Project (SARIP) Master Plan as modified; and authorizes a modification to the September 30, 2004 Memorandum of Understanding between the San Antonio River Authority (SARA) and the City of San Antonio which will redefine SARA's participation in the Museum Reach Project.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

For the past several years the City of San Antonio and Bexar County have been working with SARA and the U.S. Army Corps of Engineers (USACE) on the SARIP which encompasses the restoration, improvement and enhancement of 13 miles along the San Antonio River, stretching from Hildebrand Avenue to Mission Espada. The SARIP is a 10-year, \$169 million investment by the City of San Antonio, Bexar County and the Corps of Engineers in flood control, amenities, ecosystem restoration and recreational improvements to the San Antonio River, both north and south of downtown San Antonio. Through community support a concept design was developed which will ultimately transform areas of the San Antonio River beyond downtown into an attractive parkway linking neighborhoods and improving the quality of life for both citizens of San Antonio and visitors while maintaining flood control capacity. The project includes three reaches:

- Museum Reach: Extends from Hildebrand Avenue south to Lexington Avenue
- Downtown Reach: Extends from Lexington Avenue south to Houston Street
- Mission Reach: Extends from Guenther Street to just south of Loop 410 South

On September 30, 2004, City Council approved Ordinance 99826 which authorized the City of San Antonio to enter into a Memorandum of Understanding (MOU) with SARA for the performance of project management responsibilities on the SARIP in accordance with the conditions outlined in the MOU. Recent development on the San Antonio River has presented a need to modify this agreement.

Rio Perla Properties, L.P. is currently redeveloping the Pearl Brewery site into a mixed-use development having large educational and residential components. Plans for the development call for approximately 800,000 square feet of new and renovated space with an estimated value of more than \$100 million upon completion. It is anticipated that the Pearl Brewery redevelopment will encourage other redevelopment in the surrounding area. This development project as well as its impact on the surrounding area has heightened the necessity for the accelerated completion of the Museum Reach Project from Josephine to Newell.

The current project schedule for the Museum Reach as provided by SARA anticipates a September 2006 start date and a September 2008 completion date. The desired completion date for this project is September of 2007.

This modification to the MOU, will remove SARA as the project manager for the Josephine Street to Newell Street portion of the Museum Reach project, and will enable the City of San Antonio enter into a development agreement which will accelerate project completion of this segment to September 2007.

The use of development agreements to facilitate economic development along the San Antonio River has yielded benefits for both public and private interests. In March 2005, City Council approved a development agreement between the City of San Antonio and Rio Perla, Inc. for the Broadway Corridor Storm Water Drainage Project, a 2005 Storm Water Revenue Bond project. The development agreement resulted in a 12 – 18 month project implementation time savings as well as significant cost savings to the City. Additionally, a development agreement between Guenther Development L.L.C. and the City of San Antonio is pending Council approval. This agreement is in regards to the development of the ButterKrust site and addresses drainage issues in the Broadway Corridor. Staff anticipates this agreement will be advantageous for all parties.

The use of a development agreement to accelerate the Museum Reach – Josephine St. to Newell St. project would also yield numerous benefits for all stakeholders. The accelerated schedule will coincide with the Pearl Brewery Development and its associated enhancements along the river. The acquisition of parkland to be used as a staging area between Newell and Grayson Street would also be an added benefit. The modification of the MOU will not hinder the project's completion. The City's relationships and processes with both internal and external stakeholders will facilitate a seamless transfer. The development agreement would also facilitate the establishment and enhancement of strategic partnerships with the stakeholders and possibly encourage their financial participation, thus presenting a potential cost savings.

SARA will remain the Project Manager for the Mission Reach, Downtown Reach, and Museum Reach – Lexington Ave. to Newell St. projects. The removal of SARA as the Project Manager from the accelerated segment of the Museum Reach project will enable SARA staff to focus on the remaining improvement projects. The Museum Reach – Lexington Ave. to Newell St. project has significant challenges, such as the lock and dam component, which require SARA's full attention. The acceleration of this segment of the Museum Reach project will not negatively impact the schedule or funding of the remaining river improvement projects.

This item has been coordinated with Bexar County and SARA and both parties are in support of this expedited plan.

## **POLICY ANALYSIS**

This ordinance supports the City's Master Plan to plan and develop a City-wide system of linear parks and hike and bike trails which incorporate drainage-ways and open spaces to link parks, schools, institutions and neighborhoods and supports the Council's continued commitment to leverage funds with private entities to support infrastructure improvements.

## **FISCAL IMPACT**

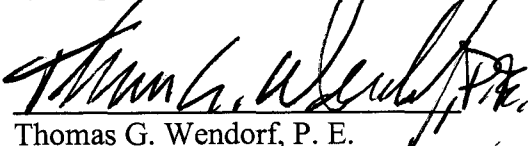
There is no fiscal impact associated with this item.

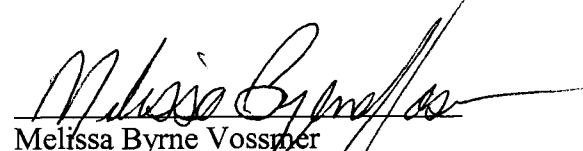
## **COORDINATION**

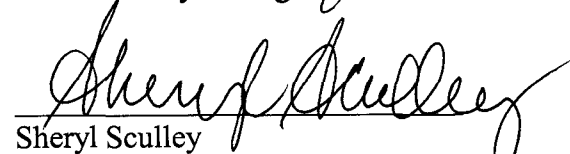
This ordinance has been coordinated with the City Attorney's Office, the Office of the Mayor and City Council, the San Antonio River Authority and Bexar County.

## **ATTACHMENTS**

- 1) Memorandum of Understanding with San Antonio River Authority
- 2) Map of San Antonio River Improvement Project

  
Thomas G. Wendorf, P. E.  
Director of Public Works

  
Melissa Byrne Vossmer  
Assistant City Manager

  
Sheryl Sculley  
City Manager

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE SAN ANTONIO RIVER  
AUTHORITY AND CITY OF SAN ANTONIO

1. PURPOSE

This Memorandum of Understanding ("MOU") between the San Antonio River Authority ("SARA") and the City of San Antonio ("COSA") authorizes the final design and construction of the Museum Reach and Mission Reach of the San Antonio River Improvements Project ("the PROJECT") and provides for COSA's funding for master planning, project management, permitting, final design, rights-of-way acquisition, design and construction documents, construction and construction management, according to the terms and conditions detailed below. COSA funding for the PROJECT will be combined with funding from Bexar County, the U.S. Army Corps of Engineers (USACE), and other funding sources to accomplish the PROJECT.

2. SCOPE OF PROJECT

- A. PROJECT LIMITS: The PROJECT, as shown on the map attached as Exhibit A, includes the Museum Reach, extending along the San Antonio River from Lexington Avenue north to the connection to Avenue B, and the Mission Reach, extending along the San Antonio River from Guenther Street to approximately 4000 feet south of Loop 410 South.
- B. PROJECT COMPONENTS: COSA funding on the PROJECT will support the final design and construction of amenities and upgrades, hike and bike trails, recreational features, landscaping, selected environmental restoration, river barge navigation elements of a lock and dam system at Brooklyn Street and other improvements which support river barge navigation and river maintenance. COSA funding shall also support the development of amenity and public art master plans in support of the PROJECT. All components of the PROJECT shall be consistent with the approved Preliminary Designs for the San Antonio River Improvements Project (the "Preliminary Designs"), as endorsed by the San Antonio River Oversight Committee (SAROC). The Preliminary Designs may be altered, added to or deleted during the final design and construction phases based upon the availability of funding from COSA and other funding partners, site conditions, response to requests by the SAROC, and/or other conditions that may arise during the development of the project. The Preliminary Designs for the Museum Reach are dated April 2003 and modified by comments dated October 2003. The Preliminary Designs for the Mission Reach are dated August 16, 2004 and modified by the "San Antonio River, San Antonio Texas Channel Improvement Project Ecosystem Restoration and Recreation General Reevaluation Report and Integrated Environmental Assessment" prepared by the U.S. Army Corps of Engineers, Ft. Worth District and dated September 28, 2004.. All scope changes shall be approved in writing by the COSA Director of Public Works

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### 3. PERFORMANCE RESPONSIBILITIES

- A. SARA: SARA serves as project manager and administrator of the PROJECT and, as such, is responsible and accountable to COSA to ensure quality construction and execution of the PROJECT within COSA funding available to support the PROJECT. SARA shall submit all design and construction documents to COSA for review and written approval prior to implementation.

SARA shall manage and deliver the PROJECT within COSA's authorized funding levels. SARA shall ensure that the construction cost of the PROJECT is within COSA's budget for the construction phase of the PROJECT before proceeding into such phase. The design and construction documents will be prepared to allow value engineering of PROJECT and shall be prepared to allow for additive alternatives based upon funds available from all funding sources for the PROJECT. If construction cost estimates and/or construction bids exceed the PROJECT budget, SARA shall engage the COSA Director of Public Works, or designee, in a value engineering review of the design and construction documents. In no event shall COSA be required to expend funds for any phase or for the PROJECT in excess of that which is described herein.

SARA shall serve as local sponsor with the USACE. SARA shall coordinate all aspects of the implementation of the PROJECT which involves the USACE and consultants under contract with the USACE.

SARA shall coordinate appropriate involvement of the San Antonio River Committee of Six, the SAROC, and other PROJECT stakeholders to facilitate the effective implementation of the PROJECT. SARA shall coordinate all meetings of the San Antonio River Committee of Six, San Antonio River Oversight Committee, and other meetings as appropriate in a coordinated effort with the COSA Director of Public Works, or designee, in advance of the date, time, location and agenda for all meetings.

SARA shall provide not less than quarterly status reports on the PROJECT to the COSA Director of Public Works, or designee, throughout the duration of the PROJECT. SARA shall provide PROJECT presentations on the PROJECT as requested by the COSA Director of Public Works. SARA's designee shall remain available throughout design and construction of the PROJECT to attend City Council meetings as necessary for briefings.

SARA shall coordinate the development of amenity and public art master plans with COSA's Design Enhancement Manager and adhere to COSA's adopted public art review process including, but not limited to, public coordination of artist selection, design review and art placement.

SARA shall adhere to all applicable law relative to the PROJECT including COSA ordinances relating to design and construction within the River Improvement Overlay.

- B. COSA: COSA shall provide timely review and approval of design and construction documents.

COSA shall participate in PROJECT meetings as needed.

COSA shall pay SARA a portion of PROJECT costs as provided herein.

4. LIMIT OF COSTS PROVIDED BY COSA

- A. FINAL DESIGN PHASE: COSA agrees to pay \$5,400,000 to fund the project final design, support project management, master planning completion, final design document preparation, right-of-way acquisitions, preparation of construction documents and permitting, subject to the terms hereof.
- B. CONSTRUCTION PHASE: COSA agrees to pay \$13,248,326.00 to fund the construction phase in accordance with the completed final design for the Mission Reach and final design of "Scenario G" for the Museum Reach as described in Exhibit B attached, including the connection to Avenue B, subject to the terms hereof.
- C. ADDITIONAL FUNDS. As funds become available for the PROJECT COSA is authorized to increase construction phase funding to \$22,469,026.00.
- D. BUDGET. \$37,790,860.00 is the total COSA PROJECT budget.
- E. MODIFICATIONS OF FUNDING ALLOCATION: SARA and COSA reserve the right to modify the allocation of funding set out in this section to respond to changes in the PROJECT scope and funding available to support the PROJECT.

5. PAYMENT

SARA shall submit monthly invoices to COSA for payment detailing actual costs incurred in designing and constructing the PROJECT in a form and detail mutually acceptable to COSA and SARA. COSA shall make payments to SARA upon approval of said invoices by COSA and in amounts set forth in said invoices.

6. PROJECT SCHEDULE

The MOU will become effective once approved by the COSA City Council and the SARA Board of Directors. The PROJECT shall begin upon execution of this MOU and continue through December 2011 or completion of the PROJECT, whichever is later.

EXECUTED IN DUPLICATE ORIGINALS THIS 16<sup>th</sup> DAY OF February, 2004. <sup>5</sup> *SV*

SAN ANTONIO RIVER AUTHORITY

By: *H.B. Ruckman III*

H.B. Ruckman III, Chairman  
San Antonio River Authority

CITY OF SAN ANTONIO




By: *Melvin S. [Signature]*

ATTEST:

*Leticia M. Valdez*  
City Clerk



**SAN ANTONIO RIVER IMPROVEMENT PROJECTS**

-  MUSEUM (NORTHERN) REACH - HILDEBRAND AVE. TO LEXINGTON AVE.
-  DOWNTOWN REACH - LEXINGTON AVE. TO HOUSTON ST.
-  HISTORICAL MISSION (SOUTHERN) REACH - ALAMO ST. TO ESPADA MISSION

